



Tri-Party Agreement

# HANFORD UPDATE

***A bulletin on Hanford cleanup and compliance***

***June 2000***

## **BNFL Inc. Contract Terminated; Project Moves Forward**

Secretary of Energy Bill Richardson announced on May 8 that he will terminate the BNFL Inc. privatization contract for a high-level waste treatment facility at the Hanford Site. Richardson made the decision after BNFL's proposal was found to raise serious concerns in many areas, including cost and schedule, management, and business approach. Its technical design was found to be sound, but was also found to be over-conservative, shifting risk from the contractor back to the U.S. government. "BNFL's proposal was outrageously expensive and inadequate in many ways," Richardson said.

In August of 1998, after a competitive procurement, BNFL said it had a high confidence it could design, finance, build, own, operate and finance a waste vitrification plant for \$6.9 billion. On April 24, the cost of BNFL's proposal increased to \$15.2 billion.

### **Design continues**

"We are committed to cleaning up the Hanford site as rapidly as possible," Richardson said. "We will start competition for a new contract right away, select a new contractor by the end of this year, and conduct business so we should be able to meet our long-term schedules for operating a waste treatment plant."

During the transition period, design will continue under a team led by Bechtel — while the Office of River Protection conducts an expedited procurement for a permanent design and construction contractor. That procurement, to be completed by

January 15, 2001 will reintroduce competition and contractor accountability, and offer the opportunity for a substantial cost reduction, according to Office of River Protection Manager Dick French. He said the new approach to acquiring the tank waste treatment capability at Hanford is the most expeditious way to move the project forward and comply with Tri-Party Agreement (TPA) milestones.

French said the work accomplished in the last two years under the privatization contract has not been wasted. The Department of Energy (DOE) has gained a sound, proven technological solution that will be picked up and completed under the new arrangement. The need to maintain the project's momentum and keep DOE's commitments to regulators and the citizenry were primary considerations in the Secretary's decisive action. Northwest stakeholders want no delays in acquiring the tank waste treatment capability at Hanford.

"In view of the unacceptable price proposal submitted by BNFL on April 24th, I'm pleased with the plan announced by the Secretary," French said. "It gives us a path forward with the least disruption of the work necessary to get tank waste treatment at Hanford. "Work over the next several months will focus intensely on putting into place the Secretary's plan. We will need a tremendous effort from DOE and contractor employees. The project continues to evolve, but the goal of protecting the Columbia River from Hanford's tank waste remains the same," French concluded.

## **Public Involvement Evaluation**

The Tri-Party Agencies (Washington State Department of Ecology (Ecology), U.S. Environmental Protection Agency (EPA) and DOE) have begun their annual evaluation of TPA public involvement activities.

Throughout the past year, attendees at public meetings and forums have been asked to fill out evaluation forms and submit them to the agencies. In May, surveys were mailed to approximately 100 members of the Hanford Advisory Board (HAB) and HAB committee members in order to gather the Board's feedback on public involvement activities. Anyone interested in submitting an evaluation may contact Mary Anne Wuennecke at (509) 736-3036 or call the Hanford Cleanup toll-free line at 1-800-321-2008. Surveys were also distributed to senior management at each of the three agencies. The information gathered from each of these processes will be compiled into a report outlining the strengths and weaknesses of the current TPA public involvement process. It will be used by the agencies to improve their public involvement strategies and procedures.

## Department of Energy and Washington State Agree to New Commitments for Tank Cleanup

Following a meeting with Washington Governor Gary Locke and Attorney General Christine Gregoire on May 10, Secretary of Energy Bill Richardson announced a series of new commitments to the state of Washington to cleanup the Hanford tanks.

"I remain committed to cleaning up the tank waste at Hanford," Secretary Richardson said. "This agreement is a significant step forward toward continuing to work with the state of Washington to make that happen."

Earlier in the week, DOE took decisive action to terminate the BNFL Inc. contract because BNFL's proposal was unacceptable and too expensive. Stressing DOE's continuing commitment to the project and to underscore the agency's resolve, Secretary Richardson announced that DOE had made a new, five-part commitment to the state. The five-point plan includes:

- DOE and the state will immediately amend the 1998 consent decree to include three new commitments: (1) by August 2000, DOE will issue a Request for Proposals that would enable the department to meet its Tri-Party Agreement milestones; (2) by January 15, 2001, DOE will award a contract for the construction of a tank

waste treatment complex; and, (3) the parties' existing consent decree will also commit to the development of a second consent decree by August 2001. This second consent decree will establish further commitments aligned to the new contract as well as commitments for other Office of River Protection work.

- Over the next 15 months, DOE and the state will negotiate a new consent decree establishing further commitments aligned to the new contract.
- Secretary Richardson unilaterally will commit to no shipments of waste to Hanford from new sources while DOE works to get the new contract on firm footing.
- The state and DOE will continue to talk about longer-term commitments regarding the shipment of waste into the state.
- DOE and the state have agreed to engage the EPA in a discussion about how to effectively drive cleanup commitments for the entire Hanford Site while addressing the most important problems here.

"This agreement ensures the cleanup work will continue — on schedule — no matter who serves as Governor of Washington or President of the United States," Locke said. "This a major change in the way the cleanup business is conducted at Hanford."

The agreement between Richardson and Locke will be memorialized in a written agreement by mid-June 2000.

## Citizen Proponent Negotiation Process Underway

The first phase of the Citizen Proponent Negotiation (CPN) process, pertaining to the application by DOE and its contractor to build a tank waste treatment complex at Hanford, has begun.

The CPN process is required under Washington Administrative Code (WAC) 173-303-902, and the purpose is to provide communities affected by proposed dangerous waste management facilities, such as a vitrification plant at Hanford, the opportunity to meet with owners/operators of those facilities in order to resolve concerns.

The lead local government receives a grant from the state and is required to hold an initial meeting in order to determine whether residents of the affected community are interested in moving forward with the negotiation process. Benton County advertised the meeting through community media outlets, including newspaper articles and TV public service announcements. The meeting was held in

Kennewick on May 4, 2000. Approximately four members of the public attended.

Representatives from the Washington State Department of Ecology provided an overview on the CPN process and also discussed the state's dangerous waste facility permit requirements. BNFL, Inc. participated in the meeting as the "proponent" of the facility. However, following the termination of their contract for the vitrification plant (see page 1), DOE's Office of River Protection and a new contractor to be selected early next year, will assume the role of proponent in the future.

Benton County commissioners have 45 days from the date of the meeting to make a decision on whether to move forward with the next phase of the CPN process. If the commissioners decide to proceed, the next step would be to form a committee to participate in negotiations with the proponents of the facility. Commissioners and by the mayors of the cities within the affected region.

## DOE-Richland Continues Fiscal Year (FY) 2002 Budget Process

DOE-RL submitted its FY 2002 budget request April 13 to Carolyn L. Huntoon, Assistant Secretary for Environmental Management.

DOE-RL's submission reflects their alignment to the three site strategic outcomes of restoring the river corridor, transitioning the central plateau and putting DOE assets to work for the future. The budget was constructed to address three funding levels for FY 2002:

1. The target level is consistent with the FY 2001 Presidential budget submission to Congress
2. The next level reflects a 10-percent increment above the target level
3. DOE-RL's critical needs (\$925 million) include funding for all activities required to meet the TPA, Defense Nuclear Facilities Safety Board (DNFSB), and other regulatory requirements and other activities required to complete the site mission

Even after taking on a challenge to reduce base operations by approximately \$30 million in FY 2001 and FY 2002 at the target level, DOE-RL is \$236 million short of what they require for their critical needs.

Key themes were heard from regulators, HAB members and other stakeholders during the recent workshops and public meetings in the Tri-Cities, Seattle and Portland. General comments included:

- Deep concern about the inadequacy of the target funding level
- Need to approach cleanup like a "Manhattan Project" – vital to citizens' health and well being
- DOE must ask for full compliance funding
- Shut down Fast Flux Test Facility and use funds for cleanup
- Oppose DOE taking \$40 million out of Hanford cleanup budget and giving it to new National

- Nuclear Security Agency for Hanford Security
- Contamination threats for burial grounds not addressed
- No new waste should be imported to Hanford
- 200 Area assessments need to be funded
- Transuranic Waste retrieval needs to be funded
- Groundwater/Vadose Zone effort needs to include characterization
- Funding for 300 Area Acceleration is premature – fund TPA first
- Stakeholders need to be involved with Spent Nuclear Fuel baseline change request
- Poor coordination by DOE-RL with regulators and stakeholders in developing public meetings
- Uncertain about size of compliance gap
- Need for independent validation of baselines and cost efficiencies
- Share details about indirect/overhead cost reduction
- Cleanup money must not fund non-cleanup activities such as Hazardous Materials Management and Emergency Response and downwinder litigation
- All TPA milestones should be funded
- By January 2001 the new president and his administration will impact Hanford budget

The public comment period on the Fiscal Year 2002 Budget ended on March 31, 2000. Background material on the budget can be found on the Hanford homepage ([www.hanford.gov/doe/budget00/request/index.htm](http://www.hanford.gov/doe/budget00/request/index.htm)). The Richland Operations Office Integrated Priority List can be found on the Hanford homepage under Tri-Party Agreement.

The IPL reflects changes made as a result of public comment. Responses to comments received on the budget are currently being compiled and will be available to the public at a later date.

## Proposed Plan to Cleanup 100 Area Burial Grounds

The U.S. Environmental Protection Agency (EPA), the Washington State Department of Ecology (Ecology), and the U.S. Department of Energy (DOE) (the Tri-Party Agencies) are inviting the public to comment on the Proposed Plan for the 100 Area Burial Grounds Interim Remedial Action (DOE/RL-99-59). The proposed plan discusses alternatives analyzed for remediation (cleanup) of 45 burial grounds located in the 100 Area of the Hanford Site. These burial grounds, used for near-surface disposal of solid wastes generated during the operation of Hanford's eight former plutonium-production reactors, may

present a risk to human health and the environment from actual or threatened releases of hazardous substances into the environment. The Tri-Party Agencies have proposed that remove, treat as appropriate, and dispose of burial ground waste at the Environmental Restoration Disposal Facility is the preferred alternative for remediation of these sites. **The public is invited to comment on the proposed plan from May 22 to June 20, 2000.** A public meeting will be held on June 14, 7:00 – 9:00 p.m. in Hood River, Oregon (Hood River Inn, Mountainview Room, 1108 East Marina Way). Contact: Dennis Faulk, EPA, (509) 376-8631



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## Calendar of Events

- June 7 9:00 a.m. - 4:00 p.m.**  
Hanford Advisory Board's Health Safety & Waste Management Committee Meeting  
Federal Building, Room 142, 825 Jadwin Avenue  
Richland, Washington
- June 8 9:00 a.m. - 4:00 p.m.**  
Hanford Advisory Board's Dollars & Sense Committee Meeting  
Federal Building, Room 142, 825 Jadwin Avenue  
Richland, Washington
- June 13 9:00 a.m. - 4:00 p.m.**  
Hanford Advisory Board's Environmental Restoration Committee Meeting  
Bechtel Corporate Center, Assembly Room, 3350 George Washington Way  
Richland, Washington
- June 14 7:00 p.m. - 9:00 p.m.**  
100 Area Burial Ground Public Meeting  
Hood River Inn, Mountainview Room, 1108 East Marina Way  
Hood River, Oregon

**Historical Note:** The U.S. Department of Energy manages the Hanford Site in southeastern Washington State. Hanford was established during World War II as part of the top secret Manhattan Project to produce plutonium for nuclear weapons. Weapons material production was halted in the late 1980s. The Hanford Site is now engaged in the world's largest cleanup effort to deal with the legacy of radioactive and hazardous wastes that resulted from the plutonium production era. Hanford's cleanup program is regulated by the U.S. Environmental Protection Agency and the Washington Department of Ecology under a long term compliance contract called the Tri-Party Agreement. This agreement sets the framework and timelines on the cleanup work so that Hanford meets current environmental standards.